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2 || Admitted Pro Hac Vice

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEVADA**

In re:
USA COMMERCIAL MORTGAGE COMPANY,
Debtor.

Case No. BK-S-06-10725 LBR
Case No. BK-S-06-10726 LBR
Case No. BK-S-06-10727 LBR
Case No. BK-S-06-10728 LBR
Case No. BK-S-06-10729 LBR

In re:
USA CAPITAL REALTY ADVISORS, LLC,

Chapter 11

In re: USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC	Chapter 11 Jointly Administered Under
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Dechter

**OPPOSITION OF THE KANTOR
GROUP TO MOTION FOR
PAYMENT OF PROCEEDS OF
NOTES SECURED BY DEEDS OF
TRUST WITHOUT REDUCTION
FOR NETTING [Docket No. 1080]**

In re:
USA CAPITAL FIRST TRUST DEED FUND, LLC

Date: August 31, 2006

Debtor.

Time: 9:30 A.M.

Affects:

- All Debtors
- USA Commercial Mortgage Company
- USA Capital Realty Advisors, LLC
- USA Capital Diversified Trust Deed Fund
- USA Capital First Trust Deed Fund
- USA Securities, LLC

1 **OPPOSITION OF THE KANTOR GROUP TO MOTION FOR PAYMENT OF**
 2 **PROCEEDS OF NOTES SECURED BY DEEDS OF TRUST WITHOUT**
 3 **REDUCTION FOR NETTING**

4 Dr. Gary Kantor, personally and as the trustee of the Kantor Nephrology Consultants, Ltd. 401(k)
 5 Profit Sharing Plan, and Mrs. Lynn Kantor (f/k/a Lynn Maguire), personally and on behalf of the Lynn
 6 Kantor IRA (collectively, the “Kantor Group”), hereby submits this limited objection to the Motion for
 7 Payment of Proceeds of Notes Secured By Deeds of Trust Without Reduction for Netting (the “Motion”)
 8 [Docket No. 1080] filed by Robert C. LePome, Esq. and Nancy Allf, Esq. on behalf of a number of claimed
 9 direct lenders (collectively the “Moving Parties”), and asserts that the Court should defer ruling on the
 10 Motion to a later date, and, in support thereof, respectfully states as follows:

11 1. In the Motion, the Moving Parties are seeking the immediate distribution to them of money
 12 USA Commercial Mortgage Company (“USA”) is withholding from interim distributions as described in
 13 the Debtors’ Motion to Distribute Funds and To Grant Ordinary-Course Releases and Distribute Proceeds
 14 [Docket No. 847] and further clarified by the statements on the record at the hearing in these cases on
 15 August 4, 2006 (the “August 4th Hearing”).

16 2. To date, the Debtors only recently issued account statements to direct lenders and members
 17 of the USA First Trust Deed Fund, LLC and the USA Capital Diversified Trust Deed Fund, LLC; many
 18 parties are currently in the process of analyzing their investments and the circumstances related to any
 19 distributions withheld by USA; and the Debtors have yet to propose chapter 11 plans.

20 3. Moreover, as clarified at the August 4th Hearing, the rights of the Moving Parties (and any
 21 other party) to any distributions withheld by USA have been preserved.

22 4. Under these circumstances, the issues related to any parties’ ultimate rights to the withheld
 23 distributions should not be resolved at the present time.

24 5. Additionally, the Moving Parties can not, pursuant to Rule 7001 of the Federal Rules of
 25 Bankruptcy Procedure, obtain the relief they are seeking in the context of a motion.

26 6. The members of the Kantor Group reserve all of their rights to take a substantive position
 27 on the issues raised in the Motion at a later time.

28 / / /

1 WHEREFORE, the members of the Kantor Group respectfully request that the Court deny the
2 Motion without prejudice and grant such other and further relief as the Court determines is just or
3 appropriate.

4 DATED this 18th day of August, 2006.

5 Respectfully submitted,

6

/s/ Regina M. McConnell, Esq.

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18 *Admitted Pro Hac Vice*

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CERTIFICATE OF SERVICE

2 || 1. We filed the following document on August 18, 2006:

**OPPOSITION OF THE KANTOR GROUP TO MOTION FOR PAYMENT OF
PROCEEDS OF NOTES SECURED BY DEEDS OF TRUST WITHOUT
REDUCTION FOR NETTING [Docket No. 1080]**

5 2. I served the above-named document by the following means to the persons as listed below:

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32 I declare under penalty of perjury that the foregoing is true and correct.

33 DATED this 18th day of August, 2006.

34 /s/ Joseph McLaughlin

35 Joseph McLaughlin, an employee of
36 KRA VITZ, SCHNITZER, SLOANE,
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